

#### Members

Kevin Brinegar, Chairperson  
Cordelia Lewis-Burks  
James Gutting  
Jimmy Neal  
Theresa Wright



## GOVERNMENT EFFICIENCY COMMISSION SUBCOMMITTEE ON MEDICAID AND HUMAN SERVICES

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### MEETING MINUTES<sup>1</sup>

**Meeting Date:** October 8, 2004  
**Meeting Time:** 3 P.M.  
**Meeting Place:** State House, 200 W. Washington St., 233  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 13

**Members Present:** Kevin Brinegar, Chairperson; Cordelia Lewis-Burks; Jimmy Neal; Theresa Wright.

**Members Absent:** James Gutting.

Mr. Kevin Brinegar, Chairperson, called the meeting to order at 3:27 pm. He distributed a draft report outline for Subcommittee discussion (Exhibit A).

#### Draft Document

Mr. Brinegar indicated that the Subcommittee needed to complete a report for the Commission and that all reports to the General Assembly need to be submitted electronically. Mr. Brinegar indicated that the Subcommittee members needed to develop recommendations, especially for program areas other than Medicaid. Mr. Brinegar called on Ms. Karen Firestone, LSA, to describe the information available for the report.

#### Discussion by Subcommittee

Mr. Brinegar next asked the Subcommittee members whether the draft captured what the Subcommittee has done and covered all the areas the members felt needed to be discussed. Dr. Theresa Wright suggested moving the organizational structure section before the program overview. The Subcommittee agreed that the information, findings, and recommendations from

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

the LSA report on the organizational structure of FSSA should be moved.

Mr. Brinegar then asked for Subcommittee members to put into writing all observations, comments, and recommendations. He indicated that these should be emailed to him by October 15, 2004, so that they could be compiled by the next meeting date, October 18, 2004. Mr. Brinegar indicated that the Subcommittee would have to reach a consensus on the recommendations before sending the report to the full Commission.

### **General Discussion**

A general discussion concerning the observations or themes that had emerged from the Subcommittee deliberations ensued. Mr. Brinegar said that he thought it was important to communicate to the General Assembly that there is no silver bullet for Medicaid and that the demographics made the situation bad. He said that even if all The Lewin Group recommendations were put into action, the savings would not exceed the expected deficit. Further, he observed that there is insufficient evidence to indicate whether FSSA should remain one entity or four, as recently proposed.

Mr. Jimmy Neal indicated that complexity of the issues the Subcommittee has looked at is overwhelming. Ms. Cordelia Lewis-Burks discussed the history of the organization of FSSA and how, perhaps, with the move from custodial care to community care, the agency has been too big to be responsive. Mr. Neal indicated that a new organizational chart doesn't always improve the organization. He said that he came away with the idea that the state does not have leeway and must follow federal guidelines. Mr. Brinegar indicated that the federal guidelines should be emphasized in the report.

Mr. Neal also reflected on The Lewin Group presentation, which indicated that for every \$4 saved by cutbacks, there are \$3 in federal savings and \$1 in state savings. He expressed concern that the state would lose more federal dollars being returned to the state. Mr. Brinegar said that Medicaid expenses are growing at a faster rate than the state's General Fund revenues, so that eventually the state would be unable to keep up the match that is required to receive federal funding. He said that the state will have to find a way to cut the program or increase revenues.

Ms. Lewis-Burks said that the health care system has high administrative costs because the system is set up that way. Asked to explain further, Ms. Lewis-Burks indicated that the system is more bent toward profit, and has become lopsided. Mr. Neal used Canada and Western Europe as examples of places where there is not a lot of advertising for doctors and hospitals, or ads on television for drugs. Dr. Wright indicated that the Medicaid system is not set up to help people in the middle, and that makes for more uninsured. She discussed how physicians are limited in practice by insurance companies.

### **Information Needed**

In conclusion, the Chairperson indicated that the non-Medicaid portion of the report would need more input from the Subcommittee members, because there was no report like The Lewin Group report for Medicaid. He said that The Lewin Group reports for Indiana and other states could be found on their website. He asked that Subcommittee members provide their comments and that Ms. Firestone provide copies of the exhibits on CD to the members. Finally, Mr. Brinegar asked that Subcommittee members provide a biography for the report that included in a paragraph or two any information on degrees or experience.

The meeting adjourned at 3:40 pm.